

AMENDED IN ASSEMBLY APRIL 3, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1976**

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**Introduced by Assembly Member Quirk-Silva**

February 19, 2014

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An act to amend Sections 69437 and 69437.6 of the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 1976, as amended, Quirk-Silva. Student financial aid: Competitive Cal Grant A and B awards.

Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program, establishes the Cal Grant A and B Entitlement awards, the California Community College Transfer Cal Grant Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions. Existing law limits the number of Competitive Cal Grant A and B awards that may be granted in an academic year to 22,500.

This bill would increase to 50,000 the number of Competitive Cal Grant A and B awards that may be granted in an academic year, commencing with the 2015–16 academic year. The bill would ~~authorize~~ *require* the commission to ~~use data from~~ *calculate a target for awards to be paid in an award year as specified, estimate a take-rate for awards by dividing the total number of awards paid by the total number of offers made during the 3 award years immediately preceding an* that award year ~~in order to estimate the maximum number of award offers that the commission may make without the number of acceptances~~

~~exceeding 50,000, and estimate the number of award offers that the commission may make to achieve the target for awards to be paid, as specified. The bill would also authorize the commission to exceed the 50,000 award limit in an academic year when the number of acceptances exceeds 50,000, but would further require, immediately subsequent to an academic year when the number of awards exceeds 50,000, that the commission reduce the number of awards made by the number by which the awards made in the previous academic year exceeded 50,000: under specified conditions.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 69437 of the Education Code is amended  
2 to read:

3 69437. (a) Commencing with the 2001–02 academic year, and  
4 each academic year thereafter, there shall be established the  
5 Competitive Cal Grant A and B award program for students who  
6 did not receive a Cal Grant A or B entitlement award pursuant to  
7 Article 2 (commencing with Section 69434), Article 3  
8 (commencing with Section 69435), or Article 4 (commencing with  
9 Section 69436). Awards made under this section are not  
10 entitlements. The submission of an application by a student under  
11 this section shall not entitle that student to an award. The selection  
12 of students under this article shall be determined pursuant to  
13 subdivision (c) and other relevant criteria established by the  
14 commission.

15 (b) (1) Commencing with the 2015–16 academic year, a total  
16 of 50,000 Cal Grant A and B awards shall be granted annually  
17 under this article on a competitive basis for applicants who meet  
18 the general eligibility criteria established in Article 1 (commencing  
19 with Section 69430) and the priorities established by the  
20 commission pursuant to subdivision (c).

21 (2) Fifty percent of the awards referenced in this subdivision  
22 are available to all students, including California community  
23 college students, who meet the financial need and academic  
24 requirements established pursuant to this article. A student  
25 enrolling at a qualifying baccalaureate degree granting institution  
26 shall apply by the March 2 deadline. A California community

college student is eligible to apply at the March 2 or the September 2 deadline.

(3) Fifty percent of the awards referenced in this subdivision are reserved for students who will be enrolled at a California community college. The commission shall establish a second application deadline of September 2 for community college students to apply for these awards effective with the fall term or semester of the 2001–02 academic year.

(4) If any awards are not distributed pursuant to paragraphs (1) and (2) upon initial allocation of the awards under this article, the commission shall make awards to as many eligible students as possible, beginning with the students with the lowest expected family contribution and highest academic merit, consistent with the criteria adopted by the commission pursuant to subdivision (c), as practicable without exceeding an annual cumulative total of 50,000 awards.

(5) (A) ~~In granting awards for an award year under this article for the 2015–16 award year, the commission is authorized to use data from the three award years immediately preceding that year in order to estimate the maximum number of award offers that the commission may make without the number of acceptances exceeding 50,000. Notwithstanding paragraphs (1) to (4), inclusive, the commission may exceed the 50,000 award limit in an academic year when the number of acceptances exceeds 50,000. In any academic year immediately subsequent to an academic year when the number of awards exceeds 50,000, the commission shall reduce the number of awards made by the number by which the awards made in the previous academic year exceeded 50,000. shall do all of the following:~~

(i) *Establish a target of 50,000 awards to be paid.*  
(ii) *Estimate the take-rate for awards by dividing the total number of awards paid by the total number of offers made during the three award years immediately preceding the 2015–16 award year.*

(iii) *Estimate the number of award offers that the commission may make to achieve the target for awards paid by dividing 50,000 by the take-rate estimated pursuant to clause (ii).*

(B) *In granting awards under this article for the 2016–17 award year and subsequent award years, the commission shall do all of the following:*

1     (i) Calculate a target for awards to be paid by subtracting the  
2     number of awards paid in the previous award year from the target  
3     for awards paid in the previous award year and adding the result  
4     to 50,000.

5     (ii) Estimate the take-rate for awards by dividing the total  
6     number of awards paid by the total number of offers made during  
7     the three award years immediately preceding that award year.

8     (iii) Estimate the number of award offers that the commission  
9     may make to achieve the target for awards paid calculated  
10    pursuant to clause (i) by dividing the target by the take-rate  
11    estimated pursuant to clause (ii).

12    (6) Notwithstanding paragraphs (1) to (4), inclusive, the  
13    commission may exceed the 50,000 award limit in an academic  
14    year when the number of acceptances exceeds 50,000, provided  
15    that, in the 2016–17 award year and subsequent award years, the  
16    commission grants awards in accordance with subparagraph (B)  
17    of paragraph (5).

18    (c) (1) On or before February 1, 2001, acting pursuant to a  
19    public hearing process that is consistent with the Bagley-Keene  
20    Open Meeting Act (Article 9 (commencing with Section 11120)  
21    of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government  
22    Code), the commission shall establish selection criteria for Cal  
23    Grant A and B awards under the competitive program that give  
24    special consideration to disadvantaged students, taking into  
25    consideration those financial, educational, cultural, language,  
26    home, community, environmental, and other conditions that hamper  
27    a student's access to, and ability to persist in, postsecondary  
28    education programs.

29    (2) Additional consideration shall be given to each of the  
30    following:

31    (A) Students who graduated from high school or its equivalent  
32    prior to the 2000–01 academic year. This subparagraph shall not  
33    be applicable after the 2004–05 academic year.

34    (B) Students pursuing Cal Grant B awards who reestablish their  
35    grade point averages.

36    (C) Students who did not receive awards pursuant to Article 2  
37    (commencing with Section 69434), Article 3 (commencing with  
38    Section 69435), or Article 4 (commencing with Section 69436).

1 (d) All other students who meet the eligibility requirements  
2 pursuant to Article 1 (commencing with Section 69430) are eligible  
3 to compete for an award pursuant to this article.

4 SEC. 2. Section 69437.6 of the Education Code is amended to  
5 read:

6 69437.6. (a) An applicant competing for an award under this  
7 article shall meet all the requirements of Article 1 (commencing  
8 with Section 69430).

9 (b) To compete for a competitive Cal Grant A award, an  
10 applicant shall, at a minimum, meet all of the requirements of  
11 Article 2 (commencing with Section 69434), with the exception  
12 of paragraphs (1) and (8) of subdivision (b) of Section 69434.  
13 However, in lieu of meeting the grade point average requirement  
14 set forth in paragraph (3) of subdivision (b) of Section 69434, an  
15 applicant may submit a community college or college grade point  
16 average of at least 2.4 on a 4.0 scale.

17 (c) To compete for a competitive Cal Grant B award, an  
18 applicant shall, at a minimum, meet all of the requirements of  
19 Article 3 (commencing with Section 69435), with the exception  
20 of paragraphs (1) and (8) of subdivision (a) of Section 69435.3.  
21 However, in lieu of meeting the grade point average requirements  
22 of paragraph (3) of subdivision (a) of Section 69435.3, a student  
23 may do either of the following:

24 (1) Demonstrate attainment of a community college or college  
25 grade point average of at least 2.0 on a 4.0 scale.

26 (2) Reestablish his or her grade point average by completing at  
27 least 16 cumulative units of credit for academic coursework at an  
28 accredited California community college, as defined by the  
29 commission, by regulation, with at least a 2.0 community college  
30 grade point average.

31 (d) To compete for a competitive California Community College  
32 Transfer Cal Grant Award, an applicant shall, at a minimum, meet  
33 the requirements of Article 4 (commencing with Section 69436),  
34 with the exception of paragraphs (8) and (9) of subdivision (b) of  
35 Section 69436.

36 (e) All other competitors shall, at a minimum, comply with all  
37 of the requirements of subdivision (b) of Section 69432.9.

38 (f) An individual selected for a Cal Grant A award who enrolls  
39 in a California community college may elect to have the award  
40 held in reserve for him or her for a period not to exceed two

1 academic years, except that the commission may extend the period  
2 in which his or her award may be held in reserve for up to three  
3 academic years if, in the commission's judgment, the rate of  
4 academic progress has been as rapid as could be expected for the  
5 personal and financial conditions that the student has encountered.  
6 The commission shall, in this case, hold the award in reserve for  
7 the additional year. Upon receipt of a request to transfer the award  
8 to a tuition or fee charging qualifying institution, the individual  
9 shall be eligible to receive the Cal Grant A award previously held  
10 in reserve if, at the time of the request, he or she meets all of the  
11 requirements of this article. Upon receipt of the request, the  
12 commission shall reassess the financial need of the award recipient.  
13 The commission may prescribe the forms and procedures to be  
14 utilized for the purposes of this section. A recipient's years of  
15 eligibility for payment of benefits shall be based upon his or her  
16 grade level at the time the award is transferred to the tuition or fee  
17 charging qualifying institution. Any award so held in reserve shall  
18 only be counted once toward the 50,000 awards authorized by this  
19 article.